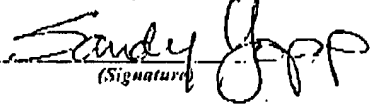
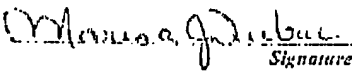


|   |                           |                             |  |
|---|---------------------------|-----------------------------|--|
| <b>CERTIFICATE OF TRANSMISSION BY FACSIMILE (37 CFR 1.8)</b>  |                           |                             | Docket No.<br>FIS920010227US1 / 120-0010 |
| Applicant(s): Susan Krystek, et al.   |                           |                             |  |
| Application No.<br>10/014,708   | Filing Date<br>11/13/2001 | Examiner<br>F. Ryan Zeender | Group Art Unit<br>3627                   |
| Invention: ENHANCED METHOD AND SYSTEM FOR PROVIDING SUPPLY CHAIN EXECUTION PROCESS<br>IN AN OUTSOURCED MANUFACTURING ENVIRONMENT  |                           |                             |  |
| <b>RECEIVED</b><br><b>CENTRAL FAX CENTER</b><br><b>NOV 01 2005</b>  |                           |                             |  |
| I hereby certify that this <u>General Transmittal Ltr (1 pg); Corrected Appeal Brief (17 pgs)</u><br>(Identify type of correspondence)<br>is being facsimile transmitted to the United States Patent and Trademark Office (Fax. No. <u>571-273-8300</u> )<br>on <u>November 1, 2005</u><br>(Date) |                           |                             |  |
| <u>Sandy Yopp</u><br>(Typed or Printed Name of Person Signing Certificate)<br><br>(Signature)   |                           |                             |  |
| Note: Each paper must have its own certificate of mailing.  |                           |                             |  |

|   |                           |                             |  |  |                          |
|---|---------------------------|-----------------------------|--|--|--------------------------|
| <b>TRANSMITTAL LETTER</b><br>(General - Patent Pending)   |                           |                             |  | Docket No.<br>FIS920010227US1 / I20-0010 |                          |
| In Re Application Of: Susan Krystek, et al.   |                           |                             |  |  |                          |
| Application No.<br>10/014,708   | Filing Date<br>11/13/2001 | Examiner<br>F. Ryan Zaender | Customer No.<br>29371  | Group Art Unit<br>3627                   | Confirmation No.<br>6243 |
| Title: ENHANCED METHOD AND SYSTEM FOR PROVIDING SUPPLY CHAIN EXECUTION PROCESS IN AN OUTSOURCED MANUFACTURING ENVIRONMENT   |                           |                             |  |  |                          |
| <u>COMMISSIONER FOR PATENTS:</u>  |                           |                             |  |  |                          |
| Transmitted herewith is:<br>Corrected Appeal Brief  |                           |                             | <b>RECEIVED</b><br><b>CENTRAL FAX CENTER</b><br><b>NOV 01 2005</b>   |  |                          |
| in the above identified application.  |                           |                             |  |  |                          |
| <input checked="" type="checkbox"/> No additional fee is required.  |                           |                             |  |  |                          |
| <input type="checkbox"/> A check in the amount of _____ is attached.  |                           |                             |  |  |                          |
| <input checked="" type="checkbox"/> The Director is hereby authorized to charge and credit Deposit Account No. 09-0458 as described below.  |                           |                             |  |  |                          |
| <input type="checkbox"/> Charge the amount of _____   |                           |                             |  |  |                          |
| <input type="checkbox"/> Credit any overpayment.  |                           |                             |  |  |                          |
| <input checked="" type="checkbox"/> Charge any additional fee required.   |                           |                             |  |  |                          |
| <input type="checkbox"/> Payment by credit card. Form PTO-2038 is attached.   |                           |                             |  |  |                          |
| <b>WARNING: Information on this form may become public. Credit card information should not be included on this form. Provide credit card information and authorization on PTO-2038.</b> |                           |                             |  |  |                          |
| <br>_____<br>Signature   |                           |                             | Dated: November 1, 2005  |  |                          |
| Marisa J. Dubuc<br>Registration No. 46,673<br>Cantor Colburn LLP<br>55 Griffin Road South<br>Bloomfield, CT 06002<br>Phone: 860-286-2929<br>Fax: 860-286-0115                           |                           |                             | I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to the "Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)] on _____<br>(Date)<br>_____<br>Signature of Person Mailing Correspondence<br>_____<br>Typed or Printed Name of Person Mailing Correspondence |  |                          |
| cc:   |                           |                             |  |  |                          |

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CENTRAL FAX CENTER****NOV 01 2005**

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: SUSAN KRYSTEK ET AL. )  
Serial No.: 10/014,708 )  
Filed: November 13, 2001 ) Before the Board  
For: ENHANCED METHOD AND SYSTEM ) of Appeals  
FOR PROVIDING SUPPLY CHAIN )  
EXECUTION PROCESS IN AN OUT- )  
SOURCED MANUFACTURING ENVI- )  
RONMENT )

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**CORRECTED APPEAL BRIEF**

This Corrected Appeal Brief is submitted in response to a Notice of Non-Compliant Appeal Brief mailed on October 21, 2005.

**REAL PARTY IN INTEREST**

The real party in interest in this appeal is International Business Machines, Inc. Ownership by International Business Machines, Inc. is established by assignment document recorded for this application on November 13, 2001 on Reel 012399, Frame 0400.

**RELATED APPEALS AND INTERFERENCES**

Appellants know of no related patent applications or patents under appeal or interference proceeding.

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STATUS OF CLAIMS

Claims 1-11 have been cancelled. Claims 12 and 13 have been withdrawn. Claims 14-20 stand rejected. The rejections of claims 14-20 are herein appealed.

STATUS OF AMENDMENTS

There have been no amendments filed subsequent to the date of the Final Office Action.

SUMMARY OF CLAIMED SUBJECT MATTER

A concise explanation of the subject matter defined in the independent claim 14 involved in the appeal is provided below

Claim 14

Claim 14 recites “[a] system for facilitating supply chain processes in an outsourced manufacturing environment.”

The system comprising “a manufacturing entity” (FIG. 1, system 100, OEM enterprise 150, and OEM division 190; page 4, lines 19-23; page 6, lines 25-27).

The manufacturing entity comprising “a server” (FIG. 1, OEM enterprise 150, server 102; page 4, lines 21-23).

The manufacturing entity further comprising “an outsourced supply chain tool executing on said server” (FIG. 1, OEM enterprise 150, server 102; page 5, lines 12-15).

The manufacturing entity further comprising “a terminal in communication with said server via a communications link” (FIG. 1, terminal 106, communications link 104; page 4, lines 21-23 and 25-27; page 4, line 27-page 5, line 3).

The manufacturing entity further comprising “a data storage device in communication

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with said server via said communications link" (FIG. 1, OEM Enterprise 150, Data Storage 120, communications link 104; server 102; page 6, lines 7-9).

The system further comprising "a network link to a contract manufacturer system" (FIG. 1, system 100, CM 180A-180D, Internet; page 7, lines 9-25).

The system further comprising "a network link to a customer focus team system assigned to the contract manufacturer system based upon geographic proximity, said customer focus team system performing logistical administrative services for said contract manufacturing system on behalf of said manufacturing entity" (FIG. 1, system 100, Internet, OSC CFT 182A-182D, CM 180A-180D) (designated by geographics: 180A is CM USA, 180B is Asia Pacific, 180C is Mexico, and 180D is Europe, whereby FIG. 1 illustrates: OSC CFT 182A is geographically located near and assigned to CM USA 180A, OSC CFT 182B is geographically located near and assigned to CM Asia Pacific 180B, OSC CFT 182C is geographically located near and assigned to CM Mexico 180C, and OSC CFT 182D is geographically located near and assigned to CM Europe 180D); page 7, lines 17-20 provide support for performing logistical administrative services; support for geographic-based assignment is provided on page 8; lines 2-4 and 11-14).

The logistical administrative services including "at least one of:

facilitating transfer and replenishment of components needed during manufacture;" (page 7, line 26-page 8, line 1);

"ensuring ongoing inventory demand issues are addressed and resolved;" (page 8, lines 2-4);

"obtaining and providing metrics on outsourced supply chain parts and activities;" (page 8, lines 4-6);

"assisting said contract manufacturing system during shortfalls of supplies;" (page 8, lines 6-8);

"collaborating with said commodity team council systems relating to acquisition of critical parts; and" (page 8, lines 6-8);

providing assistance on matters related to import, export, and tax issues" (page 8,

lines 8-10).

The above exemplary embodiment is discussed with respect to the aforementioned independent claim by way of example only and is not intended to in any way limit the scope of this claim.

#### GROUND OF REJECTION TO BE REVIEWED ON APPEAL

Claims 14-20 have been rejected as being allegedly unpatentable over Shavit et al. in view of Clendenin. The rejection of claims 14-20 as being allegedly unpatentable over Shavit et al. in view of Clendenin is to be reviewed on appeal.

#### ARGUMENT

##### Rejection of claims 14-20

Claims 14-20 have been rejected as being allegedly unpatentable over Shavit et al. in view of Clendenin.

The Examiner states, with respect to claim 14, that Shavit et al. discloses or makes obvious "a manufacturing entity comprising: a server; an outsourced supply chain tool executing on said server"; however the Examiner fails to point to any relevant section of Shavit et al. in support of this contention. In fact, Shavit et al. does not even remotely teach or suggest a manufacturing entity comprising a server and an outsourced supply chain tool executing on the server. In addition, Figures 1 and 2 of Shavit et al. illustrate various system elements that include an IMM system 50 that includes a processor 81 and interface 79, but does is devoid of teaching an outsourced supply chain tool executing on a server of a manufacturing entity. The system components illustrated in Figure 2, and described in column 6, lines 9-15 of Shavit et al. provide a cursory reference to a manufacturer's representative in the context of the types of market participants of the IMM system 50.

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The Examiner concedes that Shavit et al. does not disclose "a network link to a contract manufacturer system; a network link to a customer focus team system assigned to the contract manufacturer system based upon geographic proximity, said customer focus team system performing logistical administrative services for said contract manufacturing system on behalf of said manufacturing entity." However, the Examiner then introduces Clendenin as teaching these elements. In particular, the Examiner contends that Clendenin discloses a link to a contract manufacturer system, citing a "brake pad manufacturer 110a" (paragraph 0004) in support. In addition, the Examiner contends that Clendenin discloses "network links to secondary suppliers which may provide 'logistical' support and services" wherein "support and services include technical consulting, accounting, and legal service" citing paragraph 0005 in support. The relevant sections of Clendenin relied upon by the Examiner disclose a consulting firm 113 that "supplies consulting services to OEM 101, such as technical consulting, accounting and legal services" (paragraph 0005). Clendenin further discloses "*companies who supply goods and/or services directly to an OEM are called primary suppliers. Those companies that supply goods and/or services to the supply chain, but not directly to OEMs are called secondary suppliers*" (paragraph 0005). Clendenin further discloses that Figure 1 illustrates "*primary suppliers are represented by 110-113 and the secondary suppliers are represented by 120-124. Secondary suppliers often sell to other secondary suppliers*" (paragraph 0005). As represented in Figure 1, the consulting firm 113 represents a primary supplier that supplies services directly to the OEM, while the secondary suppliers 120-124 supply goods and/or services to the supply chain or to other suppliers but not directly to the OEM 101. If the Examiner is somehow suggesting that the consulting firm 113 of Clendenin is the recited customer focus team, then this position is flawed. As recited in claim 14, the customer focus team is assigned to a contract manufacturer and *performs logistical services for the contract manufacturer on behalf of the manufacturing entity*. Thus, the customer focus team is not providing services directly to the OEM, or manufacturer, as is true of the consulting firm 113 of Clendenin (as a primary supplier). Thus, the consulting firm 113 of Clendenin fails to overcome the deficiencies of Shavit et al.

The Examiner suggests that the assignment of a customer focus team to a contract manufacturer system "based upon geographic proximity" as recited in claim 14 is an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have

been obvious design choices as they are "coherent with normal and well known business practices to produce a desired result." The Examiner's finding of obviousness based upon design choice is improper as the claimed structure recited in claim 14 and the function it performs is different from the structure in the prior art. As recited in claim 14, customer focus team systems are assigned to contract manufacturer and provide administrative services to the contract manufacturer on behalf of the manufacturing entity. The assignments are based upon geographic proximity of the customer focus team to the contract manufacturer so that logistically, the customer focus team is capable of providing quick and efficient resolutions to issues and facilitate smooth operations conducted between the two entities. Neither Shavit et al, nor Clendenin, alone or in combination, teach a system or structure that assigns customer focus teams to a contract manufacturer. Nor do the references recite the administrative functions provided by the team. Accordingly, because the structure and functions provided by Shavit et al. and Clendenin are different from claim 14, this finding of obviousness based upon design choice is improper. For at least these reasons, claim 14 patentably defines over Shavit et al. in view of Clendenin.

Claims 15-20 should be patentable as depending from what should be an allowable independent claim.

Claim 15 should also be allowable as setting forth patentable subject matter in and of itself. Claim 15 recites "the system of claim 14, further comprising:

- a network link to a supplier system; and
- a network link to at least one commodity council team system assigned to the supplier system based upon geographic proximity, said commodity council team providing logistical administrative support to said supplier system;
  - wherein said logistical administrative support includes at least one of:
    - ensuring timely placement of purchase orders relating to supporting supplier systems;
    - managing order books of said supporting supplier systems;
    - providing outsourced supply chain metrics relating to supply chain

activities;

escalating shortfalls identified for inventories of said supplier systems;  
assisting said customer focus team systems in acquiring critical parts;  
facilitating replenishment implementation and drive to complete drop

shipment functions;

resolving finance issues;

visiting said supplier systems;

providing support for other outsourced supply chain regions on unique  
supplier issues;

providing input on supplier report cards; and

interfacing with council chairs on contract issues, geographical  
allocations, supplier credits, and letters to suppliers on transfers.”

Neither Shavit et al., nor Clendenin, alone or in combination, recites a commodity council team system that is assigned to the supplier system based upon geographic proximity and which provides logistical administrative support to its assigned supplier system. Moreover, the references do not teach or suggest providing the listing of administrative services as recited claim 15. The Examiner also contends that claim 15 includes limitations that represent obvious design choices to one of ordinary skill in the art and are, therefore, deemed obvious. The Examiner's finding of obviousness based upon design choice is improper as the claimed structure recited in claim 15 and the function it performs is different from the structure in the prior art. As recited in claim 15, commodity council teams are assigned to supplier systems and provide logistical administrative services to the supplier systems on behalf of the manufacturing entity. The assignments are based upon geographic proximity of the commodity council teams to the supplier systems. Neither Shavit et al, nor Clendenin teaches a system or structure that assigns commodity council teams to supplier systems. Nor do they recite the administrative functions provided by the team. Accordingly, because the structure and functions provided by Shavit et al. and Clendenin are different from claim 14, this finding of obviousness based upon design choice is improper. For at least these reasons, claim 15 patentably defines over Shavit et al. in view of Clendenin.

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Claim 16 should also be allowable as setting forth patentable subject matter in and of itself.

Claim 16 recites "said outsourced supply chain tool performs:

generating a price protection plan for said contract manufacturer and said supplier, said generating a price protection plan performed by gathering data relating to goods to be manufactured, said data including:

forecast and demand data;  
supplier commitment data;  
contract manufacturer award data; and  
logistical data;

developing business rules operable for identifying cost savings in accordance with existing negotiated contract pricing and contract terms and conditions of trading partner agreements;

executing supply chain activities utilizing results of said generating a price protection plan and said developing business rules."

Neither Shavit et al., nor Clendenin teach or suggest an outsourced supply chain tool. The Examiner further states that the limitations as recited in claim 16 are an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have been obvious design choices as they are "coherent with normal and well known business practices to produce a desired result." The Examiner's finding of obviousness based upon design choice is improper for at least the reasons advanced above with respect to claims 14 and 15. For at least these reasons, claim 16 patentably defines over Shavit et al. in view of Clendenin.

Claim 17 should also be allowable as setting forth patentable material in and of itself.

Claim 17 recites "wherein commodity team council systems are created for each commodity associated with said supplier." Neither Shavit et al., nor Clendenin teach or suggest a commodity team council system. The Examiner further states that the limitations as recited in claim 17 are an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have been obvious design choices as they are "coherent with normal and well known

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business practices to produce a desired result.” The Examiner’s finding of obviousness based upon design choice is improper for at least the reasons advanced above with respect to claims 14 and 15. For at least these reasons, claim 17 patentably defines over Shavit et al. in view of Clendenin.

Claim 18 should also be allowable as setting forth patentable material in and of itself. Claim 18 recites “further comprising an exception approval form created by said outsourced supply chain tool, said exception approval form operable for requesting exceptions to business rules and price protection plans adopted by said manufacturing entity.” Neither Shavit et al., nor Clendenin teach or suggest an exception approval form created by the outsourced supply chain tool. The Examiner further states that the limitations as recited in claim 18 are an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have been obvious design choices as they are “coherent with normal and well known business practices to produce a desired result.” The Examiner’s finding of obviousness based upon design choice is improper for at least the reasons advanced above with respect to claims 14 and 15. For at least these reasons, claim 18 patentably defines over Shavit et al. in view of Clendenin.

Claim 19 should also be allowable as setting forth patentable material in and of itself. Claim 19 recites “a decentralized file database in communication with said server, said decentralized file database operable for directing a contract manufacturer system to generate purchase orders and is accomplished by:

extracting data relating to products and assemblies manufactured by contract manufacturer systems, said data including:

- part numbers;
  - supplier split percentages; and
  - pricing;
- segregating extracted data for each of said contract manufacturer systems; and transmitting said extracted data to each of said contract manufacturer systems.”

Neither Shavit et al., nor Clendenin teach or suggest a decentralized file database in communication with the server, which is operable for directing a contract manufacturer system to

generate purchase orders. Nor do these references even remote teach or suggest extracting data relating to products and assemblies manufactured by contract manufacturer systems. Moreover, these references do not teach or suggest the data including part numbers, supplier split percentages, and pricing. Further, neither of the references discloses segregating extracted data for each of said contract manufacturer systems, and transmitting said extracted data to each of said contract manufacturer systems. The Examiner further states that the limitations as recited in claim 19 are an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have been obvious design choices as they are "coherent with normal and well known business practices to produce a desired result." The Examiner's finding of obviousness based upon design choice is improper for at least the reasons advanced above with respect to claims 14 and 15. For at least these reasons, claim 19 patentably defines over Shavit et al. in view of Clendenin.

Claim 20 should also be allowable as setting forth patentable material in and of itself. Claim 20 recites "wherein said supply chain tool further performs implementing a set of business rules operable for directing said contract manufacturer system and said supplier system to perform an activity, said activity including:

- directly procuring parts pursuant to a bid award;
- executing a purchase order for directly procured parts; and
- executing invoice and payment procedures for said directly procured parts."

Neither Shavit et al. nor Clendenin teach or suggest a supply chain tool performing a set of business rules for directing a contract manufacturer system and a supplier system to perform activities including direct procurement of parts pursuant to a bid award, executing a purchase order for directly procured parts, and executing invoice and payment procedures for said directly procured parts commodity team council system. The Examiner further states that the limitations as recited in claim 20 are an obvious matter of design choice. Specifically, the Examiner contends that these limitations would have been obvious design choices as they are "coherent with normal and well known business practices to produce a desired result." The Examiner's finding of obviousness based upon design choice is improper for at least the reasons advanced above with respect to claims 14 and 15. For at least these reasons, claim 20 patentably defines

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over Shavit et al. in view of Clendenin.

EVIDENCE APPENDIX

None

RELATED PROCEEDINGS APPENDIX

None

CONCLUSION

In view of the foregoing, it is urged that the final rejection of claims 14-20 be overturned. The final rejection is in error and should be reversed. The fee set forth in 37 CFR 41.20(b)(2) is enclosed herewith. If there are any additional charges with respect to this Appeal Brief, or otherwise, please charge them to Deposit Account No. 09-0458.

Respectfully submitted,

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Date: November 1, 2005

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CLAIM APPENDIX

Claims 1 - 11 (Canceled).

Claim 12. (Withdrawn) A method for facilitating supply chain processes in an outsourced manufacturing environment, said manufacturing environment including an original equipment manufacturer, at least one supplier and at least one contract manufacturer, comprising:

selecting a preferred price protection plan from a list of plan choices in response to analysis and award of a contract manufacturing bid resulting in an agreement;

executing an outsourced supply chain tool for implementing said plan, comprising:

placing a purchase order with a contract manufacturing entity in accordance with said agreement via said outsourced supply chain tool;

filtering out parts listed on said purchase order flagged for special execution as directed by said preferred price protection plan;

placing a second purchase order for flagged parts with a supplier designated by said original equipment manufacturer, said second purchase order containing instructions for providing said flagged parts to said contract manufacturer;

coordinating delivery and payment transactions for said flagged parts;

coordinating delivery and payment transactions for finished products;

monitoring associated activities of said original equipment manufacturer, said at least one contract manufacturer, and said at least one supplier; and

resolving issues relating to said associated activities.

Claim 13. (Withdrawn) A storage medium encoded with machine-readable computer program code for facilitating supply chain processes in an outsourced manufacturing environment, said manufacturing environment including an original equipment manufacturer, at least one contract manufacturer, and at least one supplier, the storage medium including instructions for causing a computer to implement a method, comprising:

selecting a preferred price protection plan from a list of plan choices in response to analysis and award of a contract manufacturing bid resulting in an agreement;

executing an outsourced supply chain tool for implementing said plan, comprising:

placing a purchase order with a contract manufacturing entity in accordance with

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said agreement via said outsourced supply chain tool;

filtering out parts listed on said purchase order flagged for special execution as directed by said preferred price protection plan;

placing a second purchase order for flagged parts with a supplier designated by said original equipment manufacturer, said second purchase order containing instructions for providing said flagged parts to said contract manufacturer;

coordinating delivery and payment transactions for said flagged parts;

coordinating delivery and payment transactions for finished products;

monitoring associated activities of said original equipment manufacturer, said at least one contract manufacturer, and said at least one supplier; and

resolving issues relating to said associated activities.

Claim 14. A system for facilitating supply chain processes in an outsourced manufacturing environment, comprising:

a manufacturing entity comprising:

a server;

an outsourced supply chain tool executing on said server;

a terminal in communication with said server via a communications link;

a data storage device in communication with said server via said communications link;

a network link to a contract manufacturer system;

a network link to a customer focus team system assigned to the contract manufacturer system based upon geographic proximity, said customer focus team system performing logistical administrative services for said contract manufacturing system on behalf of said manufacturing entity;

wherein said logistical administrative services include at least one of:

facilitating transfer and replenishment of components needed during manufacture;

ensuring ongoing inventory demand issues are addressed and resolved;

obtaining and providing metrics on outsourced supply chain parts and activities;

assisting said contract manufacturing system during shortfalls of supplies;

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collaborating with said commodity team council systems relating to acquisition of critical parts; and

providing assistance on matters related to import, export, and tax issues.

Claim 15. The system of claim 14, further comprising:

- a network link to a supplier system; and

- a network link to at least one commodity council team system assigned to the supplier system based upon geographic proximity, said commodity council team providing logistical administrative support to said supplier system;

wherein said logistical administrative support includes at least one of:

- ensuring timely placement of purchase orders relating to supporting supplier systems;

- managing order books of said supporting supplier systems;

- providing outsourced supply chain metrics relating to supply chain activities;

- escalating shortfalls identified for inventories of said supplier systems;

- assisting said customer focus team systems in acquiring critical parts;

- facilitating replenishment implementation and drive to complete drop shipment functions;

- resolving finance issues;

- visiting said supplier systems;

- providing support for other outsourced supply chain regions on unique supplier issues;

- providing input on supplier report cards; and

- interfacing with council chairs on contract issues, geographical allocations, supplier credits, and letters to suppliers on transfers.

Claim 16. The system of claim 15, wherein said outsourced supply chain tool performs:

- generating a price protection plan for said contract manufacturer and said supplier, said

- generating a price protection plan performed by gathering data relating to goods to be

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manufactured, said data including:

- forecast and demand data;
- supplier commitment data;
- contract manufacturer award data; and
- logistical data;

developing business rules operable for identifying cost savings in accordance with existing negotiated contract pricing and contract terms and conditions of trading partner agreements;

executing supply chain activities utilizing results of said generating a price protection plan and said developing business rules.

Claim 17. The system of claim 15, wherein commodity team council systems are created for each commodity associated with said supplier.

Claim 18. The system of claim 15, further comprising an exception approval form created by said outsourced supply chain tool, said exception approval form operable for requesting exceptions to business rules and price protection plans adopted by said manufacturing entity.

Claim 19. The system of claim 15, further comprising a decentralized file database in communication with said server, said decentralized file database operable for directing a contract manufacturer system to generate purchase orders and is accomplished by:

extracting data relating to products and assemblies manufactured by contract manufacturer systems, said data including:

- part numbers;
- supplier split percentages; and
- pricing;

segregating extracted data for each of said contract manufacturer systems; and transmitting said extracted data to each of said contract manufacturer systems.

Claim 20. The system of claim 15, wherein said supply chain tool further performs

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implementing a set of business rules operable for directing said contract manufacturer system and said supplier system to perform an activity, said activity including:

- directly procuring parts pursuant to a bid award;
- executing a purchase order for directly procured parts; and
- executing invoice and payment procedures for said directly procured parts.